



# Circular Economy in Japan

December 2024

Resource Efficiency and Circular Economy Division  
Ministry of Economy, Trade and Industry

# The Needs to Transform to a Circular Economy

3 R

**“Circular Economy Vision 1999” (released in July 1999)**

**1 R (Recycle) ⇒ 3 R (Reduce, Reuse, Recycle)**

- **Global Economic and Social Changes**
  - (1) **Resource constraints/risks**
  - (2) **Waste problems**
  - (3) **Environmental problems**
  - (4) **ESG investment**
  - (5) **International Activities**
    - **G7、G20** : Dialogue on Resource Efficiency
    - **EU** : Circular economy action plan (2020)

CE

**“Circular Economy Vision 2020” (released in May 2020)**

- **3Rs as environmental activities ⇒ Circular Economy as economic activities**
- **Promoting voluntary efforts by companies as a management and business strategy**
- Establishment of a resilient resource circulation system

# Issues in establishing a Growth-Oriented, Resource-Autonomous Circular Economy

## Resource constraints/risks (Economic autonomy)

【Resource depletion, increased procurement risk】

### 1. Increased global demand for materials

→ Many materials will be depleted in the future.

→ Competing for recycled plastics by promoting the use of recycled plastics

### 2. Materials are concentrated in a few countries

→ There is a risk of supply disruptions due to policies of resource-rich countries.

### 3. The lowest self-sufficiency rates among developed countries.

→ There are concerns about increased procurement risk in Japan.

## Environmental Constraints/Risks

【Difficulty in waste disposal】

### 4. Increased difficulty in waste disposal

① More countries are restricting transboundary waste, and international treaties are becoming stricter. (Basel Convention)

② There are constraints on final disposal sites for waste in Japan

【Need to respond to realization of Carbon Neutrality】

### 5. Reduction of CO2 emissions by raw material industries is essential to realize Carbon Neutrality

## Growth opportunity

【Impact on economic activity】

### 6. Potential for significant economic losses if response to a resource-autonomous Circular Economy is delayed

① Increase in material imports, outflow of national wealth due to price hikes, and increased risk of domestic price hikes

② Products that do not guarantee Circular Economy may be excluded from the global market.

③ The recycling industry is expected to become a major growth industry.

# Ways to Create “Circular Economy Market” for Growth

## Design & Production

- Develop Circularity Indicator Guidance (visualizing circularity)
- Expand Secondary Materials Market (requirement of voluntary targets, planning and reporting)
- Certification & labeling schemes for excellent circular designs

## Info-sharing Digital Platform

- Visualizing circularity
- Unique identifiers for traceability
- Product & material information
- Collection & recycling methods

### 3 Pillars

- (1) Circular Partners (CPs)**
- (2) Supporting measures**  
(financing, incentives, etc.)
- (3) Regulatory reforms & standardization**

## Collection & Recycling

- Transforming waste industry to resource supply industry (tech-development support and financing for advance sorting and recycling)
- Grading recycled materials
- Certification schemes for recyclers (quality assurance)
- Promoting reuse & recycling of parts & components

## Service

- Develop general requirements & certification scheme for “CE Commerce” (sharing, subscriptions, etc.)
- Regulatory review for secondary market (reuse, repair, etc.) to address safety and security concerns

# 3 Pillars toward a Circular Economy

## 1 Industry-Government-Academia Collaboration (Circular Partners (CPs))

- **Value network collaboration is essential** in realizing a circular economy since **economic rationality cannot be ensured only by the efforts of individual companies.**
- **504 membership** (as of September 2024), such as the national government, local governments, universities, companies and industry associations
- Starting with **“vision & roadmap”** and **“regional circulation models”**, themes, such as standardization, marketing, promotion, international collaboration, technical studies, will be considered.
- Establishing **“CE info-sharing digital platform”** aiming by 2025, considering **“common data formats”** and **“interoperability”** among such digital platforms.

## 2 Investment Support (Financing)

- **Utilizing the GX Economic Transition Bonds, technology development activities** (R&D, demonstration and implementation) to promote “circular manufacturing”(life extension, easier recycling, etc.) **will be supported**, with the aim of **realizing a total investment of more than 2 trillion yen by the public and private sectors over the next 10 years**, to ensure stable supply of recycled material.
- **30 billion yen** will be provided in support over three years from 2024. Automobiles & batteries, electrical & electronic products, plastics are expected to be supported.

## 3 Regulatory review & reform

- Review the current 3Rs (Reduce, Reuse, Recycle) legal framework, which is focusing on the arterial industry (production side) , to **reforming to the CE-based legal framework** taking **“cooperation between the arterial and venous industries”** into account.
- **The Resource Circulation Economy Subcommittee** was established to conduct the study.

# Circular Partners (CPs)

- ◆ Launched in Sep. 2023. Since each entity's individual efforts will not ensure economic rationality and not realize CE, CPs will promote collaboration among the central and local governments, academia, businesses etc., who are ambitious and pioneering in CE.

## Membership : 551 Organizations

(as of November 2024)

<b>Company</b>	<b>: 439</b> (Large : 184、SME : 255 (Small : 66) )
<b>Industry Organizations</b>	<b>: 30</b>
<b>Local Government</b>	<b>: 21</b>
<b>Universities, Research Institutes</b>	<b>: 24</b>
<b>Related Organizations</b>	<b>: 37</b>



# Circular Partners (CPs) Launch Event and 1st General Assembly

- Date: Friday, December 22, 2023
- Venue: Keidanren Hall (\*Hybrid)
- Agenda

## 1. Opening Ceremony

## 2. Congratulatory Messages

- (1) Prime Minister Kishida
- (2) Industry (Mr. Tokura, Chairman of Keidanren)
- (3) Local government  
(Mr. Yuzaki, Governor of Hiroshima Prefecture,  
Mr. Fukuda, Mayor of Kawasaki)
- (4) Academia  
(Mr. Ohno, President of Tohoku University)

## 3. Outline of the partnership

(overview, the governing board, WGs\*, name, regulations, etc.)

\* Vision & Roadmap WG, CE Info-sharing Platform WG,  
Regional CE Model WG

## 4. Closing (Greetings from the Organizer)

Mr. Saito, Minister of Economy, Trade and Industry

Mr. Ito, Minister of the Environment



**Prime Minister  
Kishida**



**Mr. Tokura,  
Chairman of  
Keidanren**



**Mr. Yuzaki,  
Governor of  
Hiroshima Pref.**



**Mr. Fukuda,  
Mayor of  
Kawasaki City**



**Mr. Ohno,  
President of  
Tohoku Univ.**



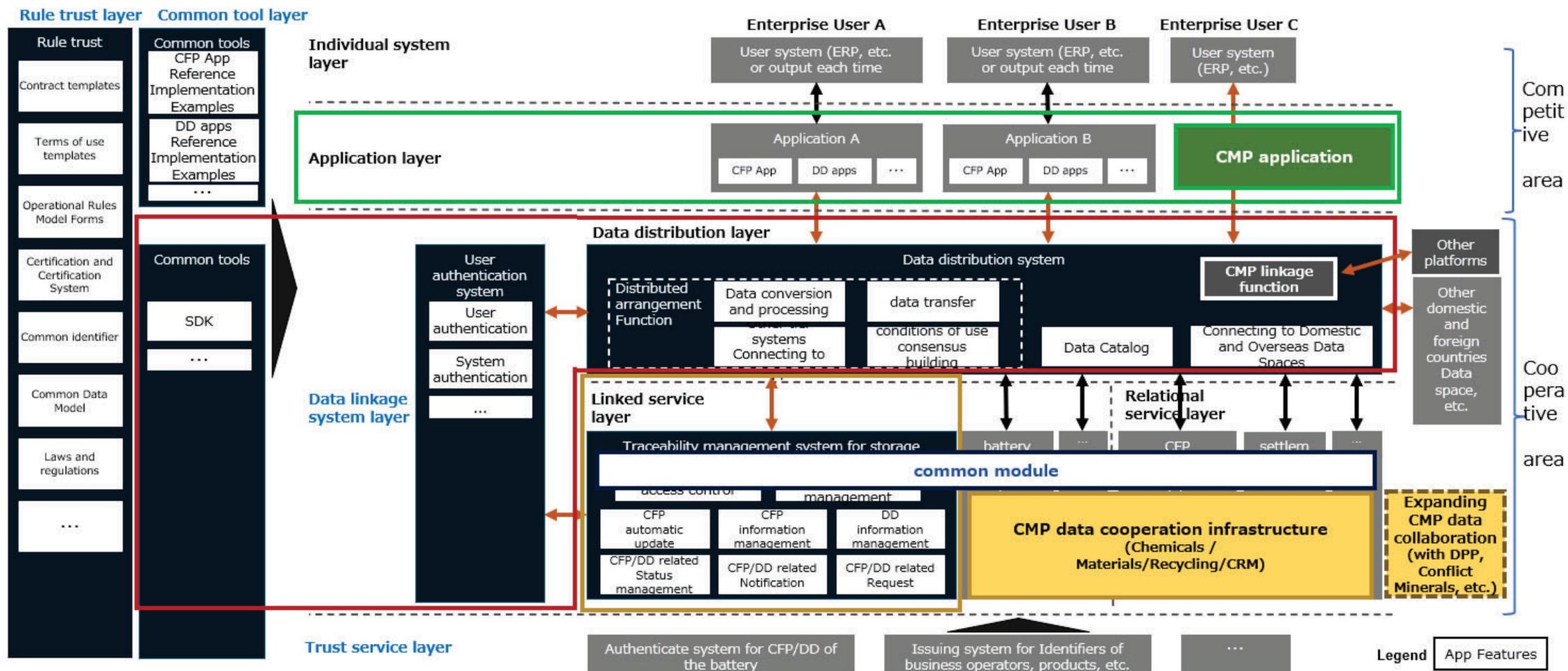
**Mr. Saito, Minister of  
Economy, Trade and  
Industry**



**Mr. Ito, Minister of  
the Environment**

# CE info-sharing digital platform

- CMP (Chemical and Circular Management Platform) will be developed for sharing circular information within a value chain , following battery traceability system on Ouranos ecosystem.



# Direction of policies to improve "resource productivity"

## 1. Creating an environment to promote an autonomous circular economy

- ◆ Formulating circularity indicator guidelines

## 2. Promoting innovative business models

- ◆ Promoting Circular Economy commerce (such as sharing business)
- ◆ Establishing an information sharing platform and introducing individual identifiers to promote traceability

## 3. Enhancing product-design-phase policies

### (1) Ecodesign

- ◆ Top runner certification system for sophisticated product design of circularity

### (2) Creating demand for "circular resources"

- ◆ Expanding obligations regarding the use of recycled materials such as plastics (establishing criteria, formulating plans, and regular reporting on implementation status)
- ◆ Obligations for the use of by-products that contain useful resources
- ◆ Incentives for the use of recycled materials (public procurement, subsidies, etc.)

### (3) Strengthening the supply of "recyclable resources"

- ◆ Reviewing recycling laws to increase supply of high-quality recycled materials
- ◆ Fostering the recycled resources supply industry
- ◆ Introducing a certification system for recycled materials

# Ministerial Meeting on the Circular Economy

To steadily promote a circular economy policy as a national strategy, the Ministerial Council on Circular Economy was established in July this year, with a view to implementing related initiatives such as those in the "Basic Plan for Promoting the Formation of a Recycling-Oriented Society" in a strategic and integrated manner by the government.

## Member of the meeting

Chairperson: Chief Cabinet Secretary

Vice-Chair: Minister of Economy, Trade and Industry

Minister of the Environment

Member: Minister of State for Consumer Affairs and Food Safety

Minister in charge of Regional Revitalization

Minister of Agriculture, Forestry and Fisheries

Minister of Land, Infrastructure, Transport and Tourism

\*The Chairperson may request the attendance of the persons concerned, as necessity.



## Kishida Fumio, Prime Minister of Japan (excerpt from remarks in the 1<sup>st</sup> meeting on July 30, 2024)

- ◆ A circular economy embodies a "new form of capitalism" that balances economic growth with the resolution of social issues such as environmental issues, regional revitalization, and economic security, and is a policy as a national strategy.
- ◆ We will strengthen our measures to support the circular economy. We will promote cooperation between manufacturing companies, such as automobile, and waste and recycling businesses, expand the supply and use of recycled materials, and promote circular design.
- ◆ Furthermore, based on the G7 Hiroshima Summit and the Principles for Circular Economy and Resource Efficiency, we will take the lead in forming international rules, such as establishing an information disclosure scheme for companies regarding the circular economy, and accelerate integrated domestic and international efforts.
- ◆ I hope that ministers will work together to compile a policy package that embodies these initiatives by the end of this year.